

1-1 By: Lindsay S.B. No. 876
1-2 (In the Senate - Filed March 2, 2005; March 10, 2005, read
1-3 first time and referred to Committee on Business and Commerce;
1-4 March 31, 2005, reported favorably by the following vote: Yeas 9,
1-5 Nays 0; March 31, 2005, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to financial reporting requirements of a nonprofit
1-9 corporation.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Article 2.23A, Texas Non-Profit Corporation Act
1-12 (Article 1396-2.23A, Vernon's Texas Civil Statutes), is amended by
1-13 amending Section B to read as follows:

1-14 B. Based on these records, the board of directors shall
1-15 annually prepare or approve a report of the financial activity of
1-16 the corporation for the preceding year. The report must:

1-17 (1) conform to accounting standards as promulgated by
1-18 the American Institute of Certified Public Accountants;

1-19 (2) ~~and must~~ include a statement of support,
1-20 revenue, and expenses and changes in fund balances, a statement of
1-21 functional expenses, and balance sheets for all funds; and

1-22 (3) be completed not later than the 180th day after the
1-23 close of each fiscal year.

1-24 SECTION 2. Section 22.352, Business Organizations Code, is
1-25 amended by adding Subsection (c) to read as follows:

1-26 (c) The financial report of a corporation must be completed
1-27 not later than the 180th day after the close of each fiscal year.

1-28 SECTION 3. (a) Except as provided by Subsection (b) of
1-29 this section:

1-30 (1) this Act takes effect immediately if it receives a
1-31 vote of two-thirds of all the members elected to each house, as
1-32 provided by Section 39, Article III, Texas Constitution; and

1-33 (2) if this Act does not receive the vote necessary for
1-34 immediate effect, this Act takes effect September 1, 2005.

1-35 (b) Section 2 of this Act takes effect January 1, 2006.

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